

Bankers' Magic!

by Will Kindig

WHEN we spend \$80,000,000 for a battleship, the U.S. Treasury issues bonds for the amount and deposits them with a bank. The U.S. Treasury receives credit for that amount and proceeds to issue government checks for labor and material that are used in construction. Suppose the bonds draw two and a half percent interest and run for 40 years. By the time they are due, we will have paid the bankers \$80,000,000 in interest, for which they have done nothing—but make a lucrative bookkeeping entry.

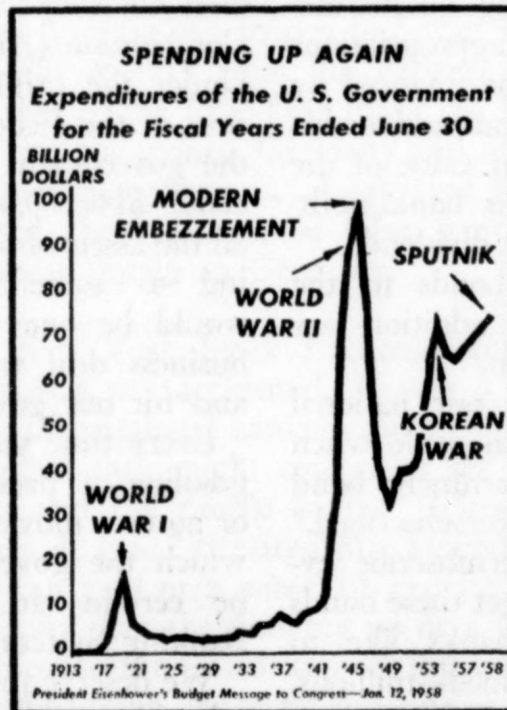
Our battleship has really cost us \$160,000,000, one-half for the vessel and one-half as a present given to the bankers. Thus it is with all

public “improvements” which are financed by U.S. Federal bonds. In a like manner, also, we will have to pay for our war twice.

You are the victim. You have to dig up the payments for the interest on the bonds each year out of the taxes you pay on your income, gasoline, cigarettes, liquor and amusements. You must like it or you would make some protest to the men who can change it, your Congressmen.

That is not all of the Bankers' Magic. Read a significant statement by Marri-

ner Eccles, Governor of the Federal Reserve Bank, before a Senate Investigating Committee. He said, “When the banks take a billion dollars of government bonds as they



are offered, they credit the United States Treasury with a billion dollars and charge their Government Bond Account with a billion dollars, or, they create, by a bookkeeping entry, the money they buy the bonds with!"

When you buy Federal bonds, you pay *real* money which you have earned and saved, and for which you have given some service. Just try to create money yourself with which to buy bonds and see how quickly you land in jail.

You can imagine with what glee the bankers read reports of Congress constantly piling up increasing amounts of appropriations which will have to be financed by bonds. The banker can add to his bank's assets the total value of the bonds which cost his bank nothing and compute his dividends.

You donate the bonds to the banker and then in addition pay him interest on them.

We are proud of our national credit, and swell with pride when we read that a government bond issue has been "oversubscribed." The banks will oversubscribe every issue, since they get these bonds for nothing. The banks like to have more bonds issued—millions, billions, hundreds of billions. A war furnishes a good excuse for unlimited bond issues.

There is not a daily newspaper in the country that dares to print the truth about the Federal Reserve Banking System. They are

scared to death of the Federal Reserve Banks. Federal Reserve bankers can foreclose mortgages on publishers' homes and printing plants. They can refuse to extend loans and can influence large mercantile firms and manufacturers to withdraw advertisements, thus removing support from the papers.

You voters hold the real power over the Federal Reserve money-manipulators. Ex-Congressman Jerry Voorhis wants to have the Federal government buy the Federal Reserve Bank and issue our own currency in accord with the Constitution (Art. I, Sec. 8, par. 5.) Under the original charter provision of the Federal Reserve Bank, the government could do this for about \$140,000,000, and take over all the assets of the system, amounting to some \$29,000,000,000. It would be one time that a good business deal would be made by and for our government.

Every time you buy a gallon of gasoline, a package of cigarettes, or go to a movie you include a tax which the government collects to be certain the Federal Reserve Banking System gets its interest.

We deserve just what we have as a banking system, if we sit by like morons and allow the system to be put over on us.

You had better get busy and write to your Congressman and Senators about it—do it quickly and often.